John Bel Edwards
GOVERNOR

Dr. Courtney N. Phillips
SECRETARY

State of Louisiana

Louisiana Department of Health
Bureau of Health Services Financing

VIA E-MAIL

November 10, 2021

Mr. Kyle Viator, CEO
AmeriHealth Caritas Louisiana
10000 Perkins Rowe, 4th Floor
Baton Rouge, LA 70810

RE: Notice of Action - Failure to Implement Pharmacy Diagnosis Codes as Directed by the Louisiana Department of Health

Dear Kyle:

AmeriHealth Caritas Louisiana (ACLA) has failed to follow a LDH directive to implement pharmacy diagnosis codes for the drugs Vivitrol and Naltrexone tablets and is not in compliance with its contract with LDH. The contract provides:

> 6.3.7.3.1.2. Pharmacy claims processing shall be capable of capturing diagnosis codes at the POS and utilizing codes in the adjudication process at POS. Denial of pharmacy claims could be triggered by an inappropriate diagnosis code or the absence of a diagnosis code.
>
> The MCO shall allow pharmacist overrides on selected POS denials as instructed by LDH. Pharmacist overrides shall utilize NCPDP established standards.
>
> And
>
> 6.3.7.3.1. Prospective DUR Program
>
> 6.3.7.3.1.1. The MCO shall provide for a review of drug therapy at Point of Sale (POS) before each prescription is given to the recipient. Screening should be performed for potential drug problems due to therapeutic duplication, drug-disease contraindications, drug-drug interactions, duration of therapy, and clinical misuse. The following

> parameters should be screened at POS. Inappropriate therapy should trigger edits and each edit should have its own separate denial code and description including, but not limited to: early refill, duration of therapy, therapeutic duplication, pregnancy precaution, quantity limit (excluding opioids), quantity limit for long-acting opioids, quantity limit for short-acting opioids, diagnosis code required on selected agents, drug interactions, age limit, and dose limits. Reporting capabilities shall exist for these denial codes. The MCOs shall align their coding of NCPDP compliant POS edits and overrides with LDH. Prior authorization is not an acceptable method to override certain POS edits.

Pursuant to LDH's instructions, on April 7, 2021, ACLA should have implemented diagnosis codes at the point-of-sale for Naltrexone tablets. Claims data pulled for the time period April 8, 2021 through September 20, 2021, showed three naltrexone tablet claims with invalid diagnosis codes and 92 naltrexone tablet claims with missing diagnosis codes.

The claims data pulled also showed 50 Vivitrol claims with missing diagnosis codes. LDH had instructed ACLA to implement diagnosis codes at the point-of-sale for Vivitrol on September 4, 2018. Initially, ACLA was allowed to review medical claims for the diagnosis codes, but a subsequent email was sent by LDH to ACLA on December 21, 2020, requiring the diagnosis codes at point-of-sale only.

On September 28, 2021, ACLA reported to LDH that as part of a corrective action plan it would educate the customer care representatives about the difference between header codes and valid diagnosis codes in order to avoid entering overrides. ACLA also reported it was reviewing rejected claims to identify providers who may be using inappropriate diagnosis codes and perform outreach to those providers.

Failure to adhere to the contract requirements cited herein carries a monetary penalty per occurrence per calendar day of non-compliance of $5,000 as outlined in Section 20.3.3 of the contract between ACLA and LDH. Should ACLA, in the future fail to follow a LDH directive to implement pharmacy diagnosis codes, penalties may be assessed for each occurrence each day of ACLA's non-compliance.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Stacy J. Guidry

Stacy Guidry
Section Chief, Medicaid Program Operations and Compliance

SG/lj

cc: Michael Boutte
Sue Fontenot
Patrick Gillies
Kim Sullivan
Melwyn Wendt
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ACLA2-31